

STATEMENT OF LOUIS T. MARCH, PRESIDENT, REPRESENTATIVE GOVERNMENT EDUCATION FOUNDATION, INC.

The Representative Government Education Foundation is a North Carolina based foundation dedicated to educating citizens about our American system of representative government and the vital role of citizen participation therein. An important part of our work is citizen surveys on various issues of importance.

There is an uneasy feeling on the part of many Americans that we no longer have truly representative government in our country, that government of the people, by the people and for the people has become government of the people, by big government for special interests. Many feel that the wishes of the majority have been lost in the shuffle of big government regulation, special interest favoritism and partisan political wrangling.

A recent survey conducted by the Foundation shows overwhelming support for a flat rate income tax (hereinafter Flat Tax). Reasons most often cited in favor of a Flat Tax are related as much to problems with the current tax system as they are to the merits of a Flat Tax itself. In our survey follow up the five most cited reasons for desiring a Flat Tax were:

1. The simplicity of a Flat Tax. The current tax code is much too complex, and defies comprehension on the part of the average taxpayer. With over 9,400 pages of tax law, the vast majority (seventy percent in one study cited) of returns filed by professional preparers are from citizens and households earning less than \$50,000. The average American feels a sense of alienation when he cannot easily understand such a basic law of the land. The myriad complexities of the current tax code certainly take their toll in human frustration and personal and business time which could otherwise be utilized for more productive pursuits. The sheer simplicity of a Flat Tax is perhaps the source of its greatest appeal.

2. A Flat Tax would mean tax relief for the American family. The current tax system imposes a tremendous burden on the American family. A generation ago one wage earner could comfortably support the average family of four—no longer. Now two incomes (or more) are required to do so, and the costs of day care, time away from children and the economic stress on family home life are taking their toll. It has often been said that as goes the family, so goes the country. A new family friendly tax system should be devised. Congressman Armey has previously cited that the typical middle income family of four pays approximately 24 percent of its income, up from two percent in 1948, and that the average American family pays more in all taxes than it does for food, clothing and shelter combined. This is wrong, and effectively constitutes a form of economic warfare on the American family. Strengthening the American family is much more important than any Federal government program. And one sure way to help the American family is to simply allow them to keep more of the money they earn. A Flat Tax with generous exemptions for dependents would be fair to the family; the current tax system is not. The American family is in dire need of tax relief, and a Flat Tax is viewed as a means of restoring a measure of fairness to the tax system.

3. A Flat Tax would be less of an economic burden not only on the individual taxpayer but would realize significant cost savings within the government as well. The current tax system is too costly. Respondents overwhelmingly concurred with the sentiment that marginal tax rates are much too high.

Also, the current tax system requires approximately 115,000 employees of the Internal Revenue Service alone to administer and enforce it, with an annual budget of \$8 billion. Congressman Armey has cited a \$232 billion annual cost of compliance with the existing tax code. This has spawned an entire industry of tax code interpreters, tax preparers, accountants and attorneys to keep track of it all. The uniformity of rates, and the overall simplicity of the various Flat Tax proposals as seen as much more efficient system, saving money for taxpayers and for the government as well.

4. A Flat Tax would be beneficial to economic expansion. The current tax system stymies economic growth. The sentiment "what we tax we get less of, what we subsidize we get more of" certainly applies to the current system. Taxing savings, investment and productivity while subsidizing a whole array of proliferating social welfare programs is a major point of contention. There is a widespread feeling that our country's economic growth is held back by the massive outflow of hard earned tax dollars for the support of an inefficient, debt ridden and intrusive Federal government—a government perceived as not representing the best interests of the middle American taxpayer.

5. A Flat Tax would serve to restore public confidence and trust in our government. The current tax system has severely eroded public confidence in and trust of our Federal government and has over time incurred the resentment of a significant percentage of the citizenry. A large number of hard working law abiding Americans have come to live in fear of the Internal Revenue Service. There is a perception that those federal officials entrusted to be servants of the people are acting as their masters. Many Americans are simply fed up and feel that they have no say in this matter. They feel that the current tax system, apart from being too costly, complicated and inefficient, is grossly unfair, favoring moneyed special interests and partisan political concerns over the average American.

"No taxation without representation" was the rallying cry in the American Revolution. Many Americans feel that today we have excessive taxation without representation. This does not bode well for public confidence in our government. Tax relief would do a great deal to restore public confidence in government and in our elected officials. A Flat Tax is viewed by many as a step in the right direction. The American people want Congress to put the concerns of the law abiding, hard working taxpayer first. There is a widespread public sentiment that this has not been the case for a long time.

On behalf of the Representative Government Education Foundation, I thank you for your consideration of these matters.

LET'S NOT TURN OUR BACKS ON ARMENIA

**HON. DAVID E. BONIOR**

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1995

Mr. BONIOR. Mr. Speaker, the commitment we have made to Armenia has helped to build democracy in that nation.

Now is not the time to be making extreme cuts in our assistance to the Armenian people.

The cuts proposed in the American Overseas Interests Act, H.R. 1561, would be devastating.

If this bill becomes law, United States aid to Armenia will be cut by at least one-third.

The Armenians are resilient people.

They are continuing to rebuild after a devastating earthquake.

They have outlasted the Ottoman Empire and the Soviet Union, and they continue to fight for freedom in Nagorno Karabagh.

Now is not the time to turn our backs on the Armenians.

But that is what this bill does.

This bill cuts aid to Armenia and other New Independent States by nearly \$100 million next year.

Instead of rewarding and encouraging the development of democracy, it sends the wrong signal to the Armenian people.

Mr. Speaker, the bill isn't all bad news for Armenia.

The humanitarian aid corridor provision we have fought so hard for is included in the bill.

The provision cuts off aid to countries, such as Turkey, which are blocking American humanitarian assistance.

This is an important step, and one that I believe is long overdue.

Mr. Speaker, our commitment to Armenia is a very modest one.

It is a fraction of our foreign aid budget, and our foreign aid budget amounts to less than 2 percent of our Federal budget.

Mr. Speaker, I am voting against this bill because I believe we can do better, and we must do better to build democracy around the world.

CONGRATULATIONS JOE GLASSFORD

**HON. GLENN POSHARD**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1995

Mr. POSHARD. Mr. Speaker, I rise today to pay special tribute to Mr. Joe Glassford. This week Joe will retire from his 22 years of dedicated service as the director of special education for the Wabash and Ohio Valley Special Education District. Throughout his professional educational career Joe has earned the respect and admiration of all that have had the honor of working with him. His tireless efforts to improve education have positively influenced the lives of fellow teachers, parents, administrators, and most importantly, the children he has dedicated his life to helping.

During my time as an educator, I had the pleasure of meeting and working with this fine man. His tireless efforts in support of quality educational programs for children with disabilities distinguishes him as a truly exceptional educator.

Joe understands children with disabilities have the right to a first-rate education, and because of this, Joe has helped bring the torch of education to a special place. His unwavering dedication to the pursuit of knowledge has helped light the world for children throughout southeastern Illinois.

Mr. Speaker, Joe Glassford is a special and outstanding human being. He has served as the Illinois State Director of Special Education, and has been instrumental in the establishment and improvement of numerous programs that are designed to help our children receive a better education. I want to take this opportunity to urge my colleagues to join with me in congratulating this fine man for all his successes. I wish Joe, along with his family, all